

SECOND REGULAR SESSION

HOUSE BILL NO. 2167

98TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE ALFERMAN.

5766H.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To amend chapter 379, RSMo, by adding thereto one new section relating to self-service storage facilities.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Chapter 379, RSMo, is amended by adding thereto one new section, to be known as section 379.1640, to read as follows:

379.1640. 1. As used in this section, the following terms shall mean:

(1) "Department", the department of insurance, financial institutions and professional registration;

(2) "Director", the director of the department of insurance, financial institutions and professional registration;

(3) "Limited lines self-service storage insurance producer", an owner, operator, lessor, or sublessor of a self-service storage facility, or an agent or other person authorized to manage the facility, duly licensed by the department of insurance, financial institutions and professional registration;

(4) "Offer and disseminate", provide general information, including a description of the coverage and price, as well as process the application, collect premiums, and perform other nonlicensable activities permitted by the state;

(5) "Self-service storage insurance", insurance coverage for the loss of, or damage to, tangible personal property in a self-service storage facility as defined in section 415.405 or in transit during the rental period.

2. Notwithstanding any other provision of law:

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

17 **(1) Individuals may offer and disseminate self-service storage insurance on behalf**
18 **of and under the control of a limited lines self-service storage insurance producer only if**
19 **the following conditions are met:**

20 **(a) The limited lines self-service storage insurance producer provides to purchasers**
21 **of self-service storage insurance:**

22 **a. A description of the material terms or the actual material terms of the insurance**
23 **coverage;**

24 **b. A description of the process for filing a claim;**

25 **c. A description of the review or cancellation process for the self-service storage**
26 **insurance policy; and**

27 **d. The identity and contact information of the insurer and limited lines self-service**
28 **storage insurance producer;**

29 **(b) At the time of licensure, the limited lines self-service storage insurance producer**
30 **shall establish and maintain a register on a form prescribed by the director of each**
31 **individual that offers self-service storage insurance on the limited lines self-service storage**
32 **insurance producer's behalf. The register shall be maintained and updated annually by**
33 **the limited lines self-service storage insurance producer and shall include the self-service**
34 **storage facility's federal tax identification number and the name, address, and contact**
35 **information of the limited lines self-service storage insurance producer and an officer or**
36 **person who directs or controls the limited lines self-service storage insurance producer's**
37 **operations. The limited lines self-service storage insurance producer shall submit such**
38 **register within thirty days upon request by the department. The limited lines self-service**
39 **storage insurance producer shall also certify that each individual listed on the self-service**
40 **storage register complies with 18 U.S.C. 1033;**

41 **(c) The limited lines self-service storage insurance producer has designated one of**
42 **its employees who is a licensed individual producer as a person responsible for the business**
43 **entity's compliance with the self-service storage insurance laws, rules, and regulations of**
44 **this state;**

45 **(d) An individual applying for a limited lines self-service storage insurance**
46 **producer license shall make application to the director on the specified application and**
47 **declare under penalty of refusal, suspension, or revocation of the license that the**
48 **statements made on the application are true, correct and complete to the best of the**
49 **knowledge and belief of the applicant. Before approving the application, the director shall**
50 **find that the individual:**

51 **a. Is at least eighteen years of age;**

- 52 **b. Has not committed any act that is a ground for denial, suspension, or revocation**
53 **set forth in section 375.141;**
- 54 **c. Has paid a license fee in the sum of one hundred dollars; and**
- 55 **d. Has completed a qualified training program regarding self-service storage**
56 **insurance policies, which has been filed with and approved by the director;**
- 57 **(e) Individuals applying for limited lines self-service storage insurance producer**
58 **licenses shall be exempt from examination. The director may require any documents**
59 **reasonably necessary to verify the information contained in an application. Within thirty**
60 **working days after the change of any information submitted on the application, the self-**
61 **service storage insurance producer shall notify the director of the change. No fee shall be**
62 **charged for any such change. If the director has taken no action within twenty-five**
63 **working days of receipt of an application, the application shall be deemed approved and**
64 **the applicant may act as a licensed self-service storage insurance producer, unless the**
65 **applicant has indicated a conviction for a felony or a crime involving moral turpitude; and**
- 66 **(f) The limited lines self-service storage insurance producer requires each employee**
67 **and authorized representative of the self-service storage insurance producer whose duties**
68 **include offering and disseminating self-service storage insurance to receive a program of**
69 **instruction or training that has been reviewed and approved by the director. The training**
70 **material shall, at a minimum, contain instructions on the types of insurance offered, ethical**
71 **sales practices, and required disclosures to prospective customers;**
- 72 **(2) Any individual offering or disseminating self-service storage insurance shall**
73 **provide to prospective purchasers brochures or other written materials that:**
- 74 **(a) Provide the identity and contact information of the insurer and the limited lines**
75 **self-service storage insurance producer;**
- 76 **(b) Explain that the purchase of self-service storage insurance is not required in**
77 **order to lease self-storage units;**
- 78 **(c) Explain that an unlicensed self-service storage operator is permitted to provide**
79 **general information about the insurance offered by the self-service storage operator,**
80 **including a description of the coverage and price, but is not qualified or authorized to**
81 **answer technical questions about the terms and conditions of the insurance offered by the**
82 **self-service storage operator or to evaluate the adequacy of the customer's existing**
83 **insurance coverage; and**
- 84 **(d) Disclose that self-service storage insurance may provide duplication of coverage**
85 **already provided by an occupant's, homeowner's, renter's, or other source of coverage;**
- 86 **(3) A limited lines self-service storage producer's employee or authorized**
87 **representative, who is not licensed as an insurance producer, shall not:**

88 (a) Evaluate or interpret the technical terms, benefits, and conditions of the offered
89 self-service storage insurance coverage;

90 (b) Evaluate or provide advice concerning a prospective purchaser's existing
91 insurance coverage; or

92 (c) Hold themselves or itself out as a licensed insurer, licensed producer, or
93 insurance expert;

94 (4) If self-service storage insurance is offered to the customer, premium or other
95 charges specifically applicable to self-service storage insurance shall be listed on all
96 documentation pertinent to the transaction as a separate amount and apart from other
97 charges relating to the lease of a self-service storage unit, the procurement of a self-service
98 storage unit, or the lease and procurement of a self-service storage unit.

99 3. Notwithstanding any other provision of law, a limited lines self-service storage
100 insurance provider, whose insurance-related activities and those of its employees and
101 authorized representatives are limited to offering and disseminating self-service storage
102 insurance on behalf of and under the direction of a limited lines self-service storage
103 insurance producer, meeting the conditions stated in this section is authorized to do so and
104 receive related compensation upon registration by the limited lines self-service storage
105 insurance producer as described under paragraph (b) of subdivision (1) of subsection 2 of
106 this section.

107 4. Self-service storage insurance may be provided under an individual policy or
108 under a group or master policy.

109 5. Limited lines self-service storage insurance producers, operators, employees, and
110 authorized representatives offering and disseminating self-service storage insurance under
111 the limited lines self-service storage insurance producer license shall be subject to the
112 provisions of chapters 374 and 375, except as provided for in this section.

113 6. Limited lines self-service storage insurance producers, operators, employees, and
114 authorized representatives may offer and disseminate self-service storage insurance
115 policies in an amount not to exceed five thousand dollars of coverage per customer per
116 storage unit.

117 7. The director may promulgate rules to effectuate this section. Any rule or portion
118 of a rule, as that term is defined in section 536.010, that is created under the authority
119 delegated in this section shall become effective only if it complies with and is subject to all
120 of the provisions of chapter 536 and, if applicable, section 536.028. This section and
121 chapter 536 are nonseverable, and if any of the powers vested with the general assembly
122 pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul

123 a rule are subsequently held unconstitutional, then the grant of rulemaking authority and
124 any rule proposed or adopted after August 28, 2016, shall be invalid and void.

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